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SIPDIS

BEIJING FOR FCS JEANETTE CHU

USDOC FOR 532/OEA/LHINES/DFARROW
USDOC FOR 3132/FCS/OIO REGIONAL DIRECTOR WILLIAM ZARIT
BICE FOR OFFICE OF STRATEGIC INVESTIGATIONS

SIPDIS

E.O. 12958: N/A

TAGS: [BMGT](#) [BEXP](#) [HK](#) [ETTC](#)

SUBJECT: EXTRANCHECK: POST SHIPMENT VERIFICATION:
BOWORLD INDUSTRIES LTD.

REF: A) USDOC 05671

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12C of the Export Administration Act.

¶2. As per reftel A request and at the direction of the Office of Enforcement Analysis (OEA) of the Bureau of Industry and Security (BIS), Export Control Officer (ECO) Philip Ankel conducted a post shipment verification (PSV) at Boworld Industries Ltd., Room 903, 113 Argyle St. Kowloon, Hong Kong (Boworld) on October 25, 2006. This PSV concerned high voltage reed switches exported by Hermetic Switch, Inc. of Chickasha, Oklahoma (Hermetic) classified by Hermetic under ECCN 3A228 and valued at \$4,564. ECCN 3A228 is controlled for nuclear nonproliferation (NP) reasons.

¶3. A review of the Hong Kong Companies Registry revealed that Boworld has been in existence since 1992. Boworld's Directors are Wen Hui Yu and Tang Mei Chen (a Taiwanese passport holder). Other companies with similar names (including Boworld Limited, Boworld International Limited) were dissolved in 1992.

¶4. A web based search revealed that the phone number and address listed for Boworld in Reftel A correspond to other Hong Kong registered companies including Union Grand Enterprises Limited, Friendly Development Ltd. and Hogus Ind'l Ltd. Contact with Boworld's Hong Kong number produced a meeting with a Ms. Lee at the premises of Boworld. The premises themselves were a small office occupied by several clerical staff.

¶5. According to Ms. Lee, Boworld acts as freight forwarder for companies in mainland China. It accepts shipments on behalf of mainland Chinese companies, completes customs formalities and then arranges for those items to be forwarded to customers in mainland China.

¶6. Ms. Lee did not have the underlying transaction documents for the shipments noted in Reftel A since those documents had been forwarded onward with the shipment to mainland China. Ms. Lee did, however, provide a Winwide Cargo Express Co., Ltd. packing slip showing that the package containing the items referenced in reftel A had been sent to China. The destination in China was Ge-Ding Information Inc.'s (Ge-Ding) China production facility in DungGuan. Ge-

Ding is a Taiwanese switch and sensor manufacturer (www.reedsensor.com.tw) and is listed as the purchaser in the Hermetic invoice for this transaction.

Coincidentally, Boworld had recently forwarded a very similar shipment of switches on behalf of Hermetic for which Ms. Lee had the applicable documentation. The date of exportation noted on the application shippers export declaration (SED) was 10/18/06 and the transportation reference number was

1Z7304696600196655. While Ms. Lee was helpful and forthcoming in providing copies of the underlying documents, it is apparent to the ECO that Boworld is unfamiliar with the export control requirements related to these shipments.

¶7. The ECO notes that ECCN 3A228 would appear to require an export license to both Hong Kong and China, and therefore the shipment of the items NLR (No License Required) by Hermetic would appear to have been inappropriate.

¶8. At the time visited, the consignee Boworld appeared to be an unsuitable recipient of controlled commodities since it has no Hong Kong production facility and acts merely as freight forwarder for shipments through Hong Kong. The ECO recommends that this PSV be classified as Unfavorable.

Cunningham